

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Finance, to which was referred House Bill No. 1813, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 3, between lines 6 and 7, begin a new paragraph and insert:
- 2 "SECTION 4. IC 12-15-15-1.1, AS AMENDED BY P.L.1-2003,
- 3 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2003]: Sec. 1.1. (a) This section applies to a hospital that is:
- 5 (1) licensed under IC 16-21; and
- 6 (2) established and operated under IC 16-22-2, IC 16-22-8, or
- 7 IC 16-23.
- 8 (b) For a state fiscal year ending after June 30, ~~2000~~, **2003**, in
- 9 addition to reimbursement received under section 1 of this chapter, a
- 10 hospital is entitled to reimbursement in an amount calculated as
- 11 follows:
- 12 STEP ONE: The office shall identify the aggregate inpatient
- 13 hospital services, reimbursable under this article and under the
- 14 state Medicaid plan, that were provided during the state fiscal
- 15 year by hospitals established and operated under IC 16-22-2,
- 16 IC 16-22-8, ~~and~~ **or** IC 16-23.
- 17 STEP TWO: For the aggregate inpatient hospital services
- 18 identified under STEP ONE, the office shall calculate the
- 19 aggregate payments made under this article and under the state
- 20 Medicaid plan to hospitals established and operated under

IC 16-22-2, IC 16-22-8, ~~and or~~ IC 16-23, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate ~~an amount equal to a percentage of~~ a reasonable estimate of the amount that would have been paid in the aggregate by the office for the inpatient hospital services described in STEP ONE under Medicare payment principles. ~~The office shall apply in this STEP the maximum percentage permitted for the state under federal Medicaid law.~~

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Subject to subsection (g), from the amount calculated under STEP FOUR, allocate to a hospital established and operated under IC 16-22-8 an amount equal to one hundred percent (100%) of the difference between:

(A) the total cost for the hospital's provision of inpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year; and

(B) the total payment to the hospital for its provision of inpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP SIX: Subtract the amount calculated under STEP FIVE from the amount calculated under STEP FOUR.

~~STEP FIVE: SEVEN:~~ Distribute an amount equal to the amount calculated under STEP ~~FOUR~~ SIX to the eligible hospitals **established and operated under IC 16-22-2 or IC 16-23** described in subsection (c) in proportion to each hospital's Medicaid shortfall as defined in subsection (f).

(c) Subject to subsection (e), reimbursement for a state fiscal year under this section consists of ~~a single payment~~ **payments** made after the close of each state fiscal year. Payment for a state fiscal year ending after June 30, ~~2001~~, **2003**, shall be made before December 31 following the state fiscal year's end. A hospital is not eligible for a payment described in this subsection unless an intergovernmental transfer is made under subsection (d).

(d) Subject to subsection (e), a hospital may make an intergovernmental transfer under this subsection, or an intergovernmental transfer may be made on behalf of the hospital, after the close of each state fiscal year. An intergovernmental transfer under this subsection must be made to the Medicaid indigent care trust fund

in an amount equal to a percentage, as determined by the office, of the amount to be distributed to the hospital under STEP ~~FIVE SEVEN~~ of subsection (b). In determining the percentage, the office shall apply the same percentage of not more than eighty-five percent (85%) to all hospitals eligible for reimbursement under STEP ~~FIVE SEVEN~~ of subsection (b). The office shall use the intergovernmental transfer to fund payments made under this section and as otherwise provided under ~~IC 12-15-20-2(5)~~. **IC 12-15-20-2(8).**

(e) A hospital making an intergovernmental transfer under subsection (d) may appeal under IC 4-21.5 the amount determined by the office to be paid the hospital under STEP ~~FIVE SEVEN~~ of subsection (b). The periods described in subsections (c) and (d) for the hospital to make an intergovernmental transfer are tolled pending the administrative appeal and any judicial review initiated by the hospital under IC 4-21.5. The distribution to other hospitals under STEP ~~FIVE SEVEN~~ of subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under STEP ~~FIVE SEVEN~~ of subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals shall be made. A partial distribution may be based upon estimates and trends calculated by the office.

(f) For purposes of this section:

(1) ~~a hospital's~~ **the Medicaid shortfall of a hospital established and operated under IC 16-22-2 or IC 16-23** is calculated as follows:

STEP ONE: The office shall identify the inpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospital.

STEP TWO: For the inpatient hospital services identified under STEP ONE, the office shall calculate the payments made under this article and under the state Medicaid plan to the hospital, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate ~~an amount equal to a percentage of~~ a reasonable estimate of the amount that would have been paid by the office for the inpatient hospital services described in STEP ONE under Medicare payment principles; ~~The office shall apply in this STEP the maximum percentage permitted for the state under federal Medicaid law;~~ and

(2) a hospital's Medicaid shortfall is equal to the amount by which the amount calculated in STEP THREE of subdivision (1) is greater than the amount calculated in STEP TWO of subdivision (1).

(g) The actual distribution of the amount calculated under STEP FIVE of subsection (b) to a hospital established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the hospital in the state plan for medical assistance. Payment to a hospital under STEP FIVE of subsection (b) is not a condition precedent to the tender of payments to hospitals under STEP SEVEN of subsection (b).

SECTION 5. IC 12-15-15-1.3, AS ADDED BY P.L.120-2002, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1.3. (a) This section applies to a hospital that is:

(1) licensed under IC 16-21; and

(2) established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

(b) For a state fiscal year ending after June 30, ~~2000~~, **2003**, in addition to reimbursement received under section 1 of this chapter, a hospital is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the aggregate outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by hospitals established and operated under IC 16-22-2, IC 16-22-8, ~~and or~~ IC 16-23.

STEP TWO: For the aggregate outpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals established and operated under IC 16-22-2, IC 16-22-8, ~~and or~~ IC 16-23, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate ~~an amount equal to a percentage of~~ a reasonable estimate of the amount that would have been paid in the aggregate by the office under Medicare payment principles for the outpatient hospital services described in STEP ONE. ~~The office shall apply in this STEP the maximum percentage permitted for the state under federal Medicaid law.~~

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Subject to subsection (g), from the amount calculated under STEP FOUR, allocate to a hospital

established and operated under IC 16-22-8 an amount equal to one hundred percent (100%) of the difference between:

(A) the total cost for the hospital's provision of outpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year; and

(B) the total payment to the hospital for its provision of outpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP SIX: Subtract the amount calculated under STEP FIVE from the amount calculated under STEP FOUR.

~~STEP FIVE: SEVEN:~~ Distribute an amount equal to the amount calculated under ~~STEP FOUR~~ **SIX** to the eligible hospitals established and operated under IC 16-22-2 or IC 16-23 described in subsection (c) in proportion to each hospital's Medicaid shortfall as defined in subsection (f).

(c) Subject to subsection (e), the reimbursement for a state fiscal year under this section consists of ~~a single payment~~ **payments** made before December 31 following the end of the state fiscal year. A hospital is not eligible for a payment described in this subsection unless an intergovernmental transfer is made under subsection (d).

(d) Subject to subsection (e), a hospital may make an intergovernmental transfer under this subsection, or an intergovernmental transfer may be made on behalf of the hospital, after the close of each state fiscal year. An intergovernmental transfer under this subsection must be made to the Medicaid indigent care trust fund in an amount equal to a percentage, as determined by the office, of the amount to be distributed to the hospital under ~~STEP FIVE SEVEN~~ of subsection (b). In determining the percentage, the office shall apply the same percentage of not more than eighty-five percent (85%) to all hospitals eligible for reimbursement under ~~STEP FIVE SEVEN~~ of subsection (b). The office shall use the intergovernmental transfer to fund payments made under this section and as otherwise provided under ~~IC 12-15-20-2(5)~~. **IC 12-15-20-2(8)**.

(e) A hospital making an intergovernmental transfer under subsection (d) may appeal under IC 4-21.5 the amount determined by the office to be paid by the hospital under ~~STEP FIVE SEVEN~~ of subsection (b). The periods described in subsections (c) and (d) for the hospital to make an intergovernmental transfer are tolled pending the administrative appeal and any judicial review initiated by the hospital under IC 4-21.5. The distribution to other hospitals under ~~STEP FIVE~~

SEVEN of subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under ~~STEP FIVE~~ **SEVEN** of subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals must be made. A partial distribution may be calculated by the office based upon estimates and trends.

(f) For purposes of this section:

(1) ~~a hospital's~~ **the Medicaid shortfall of a hospital operated under IC 16-22-2 or IC 16-23** is calculated as follows:

STEP ONE: The office shall identify the outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospital.

STEP TWO: For the outpatient hospital services identified under STEP ONE, the office shall calculate the payments made under this article and under the state Medicaid plan to the hospital, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate ~~an amount equal to a percentage of~~ a reasonable estimate of the amount that would have been paid by the office for the outpatient hospital services described in STEP ONE under Medicare payment principles; ~~The office shall apply in this STEP the maximum percentage permitted for the state under federal Medicaid law;~~ and

(2) a hospital's Medicaid shortfall is equal to the amount by which the amount calculated in STEP THREE of subdivision (1) is greater than the amount calculated in STEP TWO of subdivision (1).

(g) The actual distribution of the amount calculated under STEP FIVE of subsection (b) to a hospital established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the hospital in the state plan for medical assistance. Payment to a hospital under STEP FIVE of subsection (b) is not a condition precedent to the tender of payments to hospitals under STEP SEVEN of subsection (b).

SECTION 6. IC 12-15-15-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 1.5. (a) This section applies to a hospital that:**

- (1) is licensed under IC 16-21;
- (2) is not a unit of state or local government; and
- (3) is not owned or operated by a unit of state or local government.

(b) For a state fiscal year ending after June 30, 2003, in addition to reimbursement received under section 1 of this chapter, a hospital eligible under this section is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the aggregate inpatient hospital services and the total outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospitals described in subsection (a).

STEP TWO: For the total inpatient hospital services and outpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals described in subsection (a), excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid in all by the office for the inpatient hospital services and outpatient hospital services described in STEP ONE under Medicare payment principles.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Distribute an amount equal to the amount calculated under STEP FOUR to the eligible hospitals described in subsection (a) as follows:

(A) Subject to the availability of funds under IC 12-15-20-2(8)(D) to serve as the non-federal share of such payment, the first ten million dollars (\$10,000,000) of the amount calculated under STEP FOUR for a state fiscal year shall be paid to a hospital described in subsection (a) that has more than seventy thousand (70,000) Medicaid inpatient days.

(B) Following the payment to the hospital under clause (A) and subject to the availability of funds under IC 12-15-20-2(8)(D) to serve as the non-federal share of such payments, the remaining amount calculated under STEP FOUR for a state fiscal year shall be paid to all hospitals described in subsection (a). The payments shall

be made on a pro rata basis based on the hospitals' Medicaid inpatient days or other payment methodology approved by the Centers for Medicare and Medicaid Services.

(C) Subject to IC 12-15-20.7, in the event the entirety of the amount calculated under STEP FOUR is not distributed following the payments made under clauses (A) and (B), the remaining amount may be paid to hospitals described in subsection (a), provided that the non-federal share of a hospital's payment is provided by or on behalf of the hospital. The remaining amount shall be paid to those hospitals on a pro rata basis based on the hospitals' Medicaid inpatient days or other payment methodology approved by the Centers for Medicare and Medicaid Services.

(D) For purposes of the clauses (A), (B) and (C), a hospital's Medicaid inpatient days are based on the Medicaid inpatient days allowed for the hospital by the office for purposes of the office's most recent determination of eligibility for the Medicaid disproportionate payment program under IC 12-15-16.

(c) Reimbursement for a state fiscal year under this section consists of payments made after the close of each state fiscal year. Payment for a state fiscal year ending after June 30, 2003, shall be made before December 31 following the end of the state fiscal year.

(d) A hospital described in subsection (a) may appeal under IC 4-21.5 the amount determined by the office to be paid to the hospital under STEP FIVE of subsection (b). The distribution to other hospitals under STEP FIVE of subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under STEP FIVE of subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals shall be made. A partial distribution may be based on estimates and trends calculated by the office."

Page 3, line 10, delete "section," and insert "section and IC 12-16-7.5-4.5,".

Page 5, line 1, after "year," insert "subject to section 9.6 of this chapter,".

Page 5, line 10, delete "approved" and insert "payable".

- 1 Page 5, line 33, delete "For" and insert "**Subject to subsection (i),**
- 2 **for**".
- 3 Page 6, line 7, delete "by" and insert "**of**".
- 4 Page 6, line 13, after "funds" insert "**of**".
- 5 Page 6, line 25, delete "IC 12-16-7.5-2.5(b)." and insert "**IC**
- 6 **12-16-7.5-2.5(b)(1).**".
- 7 Page 6, line 27, after "is" insert "**an amount equal to**".
- 8 Page 6, line 33, after "payable" insert "**hospital**".
- 9 Page 6, line 33, delete "submitted by a".
- 10 Page 6, line 34, delete "hospital".
- 11 Page 6, between lines line 37 and 38, begin a new paragraph and
- 12 insert:
- 13 "**(j) The amount calculated under STEP FIVE of subsection (c)**
- 14 **for a hospital with respect to a county may not exceed the total**
- 15 **amount of the hospital's payable claims attributed to the county**
- 16 **during the state fiscal year.**".
- 17 Page 6, line 41, delete "section, a" and insert "**section and**
- 18 **IC 12-16-7.5-4.5, a payable**".
- 19 Page 7, line 20, after "year," insert "**subject to section 9.6 of this**
- 20 **chapter,**".
- 21 Page 7, line 32, after "funds" insert "**of the county**".
- 22 Page 7, line 33, delete "by the county".
- 23 Page 8, line 5, after "hospital's" insert "**payable**".
- 24 Page 8, line 17, after "THREE." insert "**The amount calculated**
- 25 **under this STEP for a hospital may not exceed the amount by**
- 26 **which the hospital's total payable claims under IC 12-16-7.5**
- 27 **submitted during the state fiscal year exceeded the amount of the**
- 28 **hospital's payment under section 9(c) of this chapter.**".
- 29 Page 8, line 24, delete "nonfederal" and insert "**non-federal**".
- 30 Page 8, line 27, delete "9(e)" and insert "**9**".
- 31 Page 8, line 34, delete "IC 12-16-7.5-4.5(c)" and insert "**IC**
- 32 **12-16-7.5-4.5(b).**".
- 33 Page 8, line 35, delete "9(e)" and insert "**9**".
- 34 Page 8, line 36, after "amount" insert "**available**".
- 35 Page 8, line 37, delete "IC 12-16-7.5-4.5(c)" and insert "**IC**
- 36 **12-16-7.5-4.5(b) to serve as the non-federal share of payments to a**
- 37 **hospital under subsection (c).**".
- 38 Page 9, line 15, after "IC 12-16-7.5-4.5(b)" insert "**for a state fiscal**
- 39 **year**".
- 40 Page 9, between lines 16 and 17, begin a new paragraph and insert:
- 41 "**(i) For purposes of this section:**
- 42 **(1) "payable claim" has the meaning set forth in**

1 **IC 12-16-7.5-2.5(b);**

2 **(2) the amount of a payable claim is an amount equal to the**
 3 **amount the hospital would have received under the state's**
 4 **fee-for-service Medicaid reimbursement principles for the**
 5 **hospital care for which the payable claim is submitted under**
 6 **IC 12-16-7.5 if the individual receiving the hospital care had**
 7 **been a Medicaid enrollee; and**

8 **(3) a payable hospital claim under IC 12-16-7.5 includes a**
 9 **payable claim under IC 12-16-7.5 for the hospital's care**
 10 **submitted by an individual or entity other than the hospital,**
 11 **to the extent permitted under the hospital care for the**
 12 **indigent program.**

13 SECTION 9. IC 12-15-15-9.6 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2003]: **Sec. 9.6. The total amount of**
 16 **payments to hospitals under sections 9 and 9.5 of this chapter may**
 17 **not exceed the amount transferred to the Medicaid indigent care**
 18 **trust fund under IC 12-16-7.5-4.5(b) for the state fiscal year."**

19 Page 9, line 20, delete "nonfederal" and insert "**non-federal**".

20 Page 9, line 23, strike "(5)," and insert "**(8),**".

21 Page 10, line 42, delete "nonfederal" and insert "**non-federal**".

22 Page 11, line 5, delete "nonfederal" and insert "**non-federal**".

23 Page 11, line 6, delete "nonfederal" and insert "**non-federal**".

24 Page 11, line 8, delete "(E), and, subject to clause (F), the" and
 25 insert "**(F), and the non-federal share of payments under clauses (A)**
 26 **and (B) of STEP FIVE of IC 12-15-15-1.5(b)."**

27 Page 11, delete lines 9 through 10.

28 Page 11, line 11, delete "methodology, which shall be developed by
 29 the office."

30 Page 11, line 22, delete "As provided in clause (D), for each" and
 31 insert "**The total amount of intergovernmental transfers used to**
 32 **fund the non-federal share of payments to hospitals under**
 33 **IC 12-15-15-9 and IC 12-15-15-9.5 shall not exceed the amount**
 34 **calculated under STEP TWO of the following formula:**

35 **STEP ONE: Calculate the amount of funds transferred to**
 36 **the Medicaid indigent care trust fund under**
 37 **IC 12-16-7.5-4.5(b) for the state fiscal year.**

38 **STEP TWO: Multiply the state Medicaid medical**
 39 **assistance percentage for the state fiscal year for which the**
 40 **payments under IC 12-15-15-9 and IC 12-15-15-9.5 are to**
 41 **be made by the amount calculated under STEP ONE.**

42 **(F) As provided in clause (D), for each".**

- 1 Page 11, delete line 42.
- 2 Page 12, delete lines 1 through 26.
- 3 Page 12, line 27, delete "(G)".
- 4 Page 12, line 27, strike "If funds are transferred under
- 5 IC 12-17.7-9-2 or".
- 6 Page 12, strike lines 28 through 31.
- 7 Page 12, between lines 31 and 32, begin a new paragraph and insert:
- 8 "SECTION 11. IC 12-15-20.7 IS ADDED TO THE INDIANA
- 9 CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS
- 10 [EFFECTIVE JULY 1, 2003]:
- 11 **Chapter 20.7. Payment Schedule**
- 12 **Sec. 1. As used in this chapter:**
- 13 (1) "Medicaid inpatient payments for safety-net hospitals"
- 14 means the payments provided for in the Medicaid state plan
- 15 for inpatient services provided by hospitals that satisfy the
- 16 definition of a safety-net hospital under the Medicaid state
- 17 plan; and
- 18 (2) "Medicaid outpatient payments for safety-net hospitals"
- 19 means the payments provided for in the Medicaid state plan
- 20 for outpatient services provided by hospitals that satisfy the
- 21 definition of a safety-net hospital under the Medicaid state
- 22 plan.
- 23 **Sec. 2. For each state fiscal year, the office shall make the**
- 24 **payments identified in this section in the following order:**
- 25 (1) First, payments under IC 12-15-15-9 and IC 12-15-15-9.5.
- 26 (2) Second, payments under clauses (A) and (B) of STEP
- 27 FIVE of IC 12-15-15-1.5(b).
- 28 (3) Third, Medicaid inpatient payments for safety-net
- 29 hospitals and Medicaid outpatient payments for safety-net
- 30 hospitals.
- 31 (4) Fourth, payments under IC 12-15-15-1.1 and 12-15-15-1.3.
- 32 (5) Fifth, payments under IC 12-15-19-8 for municipal
- 33 disproportionate share hospitals.
- 34 (6) Sixth, payments under IC 12-15-19-2.1 for
- 35 disproportionate share hospitals.
- 36 (7) Seventh, payments under clause (C) of STEP FIVE of
- 37 IC 12-15-15-1.5(b).".
- 38 Page 15, line 27, delete "covered".
- 39 Page 15, delete lines 40 through 42.
- 40 Page 16, line 39, delete "attributable" and insert "**attributed**".
- 41 Page 17, line 10, delete "attributable" and insert "**attributed**".
- 42 Page 17, line 17, after "for each" insert "**person or**".

Page 17, line 20, after "transferred" insert **"from a county's hospital care for the indigent fund"**.

Page 17, line 23, after "transferred" insert **"from a county's hospital care for the indigent fund"**.

Page 17, delete lines 28 through 41, begin a new line block indented and insert:

"county under subsection (a), determine the amount of total hospital payable claims, total physician payable claims, and total transportation provider payable claims. Of the amounts determined for physicians and transportation providers, calculate the sum of those amounts as a percentage of the total payable physician claims and total payable transportation provider claims attributed to all the counties submitted to the division during the state fiscal year.

STEP THREE: Multiply three million dollars (\$3,000,000) by the percentage calculated under STEP TWO.

STEP FOUR: Transfer to the Medicaid indigent care trust fund for purposes of IC 12-15-20-2(8)(D) an amount equal to the amount calculated under STEP ONE, minus an amount equal to the amount calculated under STEP THREE.

STEP FIVE: The division shall retain an amount equal to the amount remaining in the state hospital care for the indigent fund after the transfer in STEP FOUR for purposes of making payments under section 5 of this chapter."

Page 18, line 7, delete "combined".

Page 18, line 7, after "amounts" insert **"combined from the counties' hospital care for the indigent funds and"**.

Page 18, line 8, delete "4.5(c)" and insert **"4.5(b)"**.

Page 19, line 14, delete "2004, and 2005,".

Page 19, line 18, delete "the preceding year;" and insert **"2002;"**.

Page 19, line 21, delete "the year in which the tax levy under" and insert **"taxes first due and payable in 2003."**

Page 19, delete line 22.

Page 19, between lines 22 and 23, begin a new paragraph and insert:

"(c) For taxes first due and payable in 2004, 2005, and 2006, each county shall impose a hospital care for the indigent property tax levy equal to the product of:

(1) the county's hospital care for the indigent property tax levy for taxes first due and payable in the preceding year; multiplied by

(2) the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3)."

Page 19, line 23, delete "(c)" and insert "(d)".

Page 19, line 23, delete "subsections (d) and (e):" and insert **"subsection (e):"**.

Page 19, line 24, delete "2006," and insert **"2007,"**.

Page 20, line 7, delete "(d)" and insert **"(e)"**.

Page 20, line 8, delete "(c)" and insert **"(d)"**.

Page 20, delete lines 9 through 42, begin a new line block indented and insert:

"(1) The greater of:

(A) the county's hospital care for the indigent property tax levy for taxes first due and payable in 2006; or

(B) the amount of the county's maximum hospital care for the indigent property tax levy determined under this subsection for taxes first due and payable in the immediately preceding year; multiplied by

(2) the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients

- 1 **computed in STEP TWO by three (3).".**
- 2 Delete pages 21 through 23.
- 3 Page 24, line 6, after "information" insert "**possessed or**".
- 4 Page 24, line 7, delete "an electronic or" and insert "**a**".
- 5 Page 26, line 12, delete "IC 12-17.7-9-1;" and insert "IC 12-17.7;

- 1 IC 12-17.8."
- 2 Page 26, delete line 13.
- 3 Renumber all SECTIONS consecutively.
(Reference is to EHB 1813 as printed March 21, 2003.)

and when so amended that said bill do pass .

Committee Vote: Yeas 14, Nays 1.

Senator Borst, Chairperson